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29 JAN  
1960

**MEMORANDUM FOR: Chairman, Board of Directors, GEHA**

**SUBJECT: New Hospitalization Premiums**

1. On 28 January I received a telephone call from Omaha and was given firm quotations on our new proposed hospitalization plan. This would include benefits as follows:

- a. Up to \$20.00 per day for up to 90 days;
- b. A Relative Value Schedule with a \$5.00 conversion factor;
- c. Maternity room and board up to \$16.00 per day for up to 8 days;
- d. Hospital extras up to \$202.50 plus 75% of covered extras up to \$5,000.00;
- e. A Major Medical Schedule with \$100.00 deductible and a maximum coverage of \$5,000.00 per illness.

2. Premium rates for a single policy would be \$3.33 plus 13¢ for the 4% Civil Service Commission requirement, making a total of \$3.46. I would suggest the premium be fixed at \$3.50 at least. For the family rate the premium is \$13.35 plus 53¢ to cover the 4% to the Commission, making a total of \$13.88. I would suggest a premium of \$14.00.

3. I think one revision should be made which will cost very little; that is, to change the hospital extra figure from 75% to 80%. This would make it the same as the coverage under the Major Medical feature in the program.

4. I assume these figures will be confirmed in writing and that we can obtain a contract in the very near future.

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5. These rates appear very favorable and are in part due to the fact that Omaha based them on our latest year's experience. They are, I am informed, considerably lower than those offered to NSA.

STAT



**President  
GEHA, Inc.**

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